

DEPARTMENT OF BENEFIT PAYMENTS

744 P. Street

Sacramento, CA 95814



November 6, 1974

ALL-COUNTY LETTER NO. 74-218

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: AUDIT EXCEPTION AGAINST COUNTY ADULT SERVICES ADMINISTRATIVE COSTS -
JULY 1, 1968 THROUGH SEPTEMBER 30, 1970

REFERENCE:

On September 23, 1974, counties were informed that an audit exception in the amount of \$11,020,249 for adult social services was to be disallowed on the September 30, 1974, quarterly expenditure report. After receipt of notification of disallowance, the Department of Benefit Payments requested that the Department of Health, Education, and Welfare defer this adjustment because of county budgetary problems. On October 25, 1974, the attached letter from the Department of Health, Education, and Welfare notified the Department of Benefit Payments that the \$11,020,249 audit disallowance will be made over a three quarter period commencing with the March 1975 quarter. Therefore, the first adjustment amounting to \$3,673,416.34 will be applied to county expenditure reports for the period ending March 31, 1975. The second adjustment will amount to \$3,673,416.33 which will be applied to the county expenditure reports ending June 30, 1975, with the final adjustment of \$3,673,416.33 to be applied to county expenditure reports ending September 30, 1975.

The procedure to be used in applying these adjustments and the individual county amounts will be issued within the next 90 days.

If you have any questions concerning this audit adjustment, please contact Larry Harrison or Jim Gomez at 916/445-7046.

Sincerely,

A handwritten signature in cursive script, reading "William J. Kurtz".
WILLIAM J. KURTZ
Deputy Director

Attachment

cc: County Auditors
CWDA

GEN 654 (2/74)



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
REGIONAL OFFICE

50 FULTON STREET
SAN FRANCISCO, CALIFORNIA 94102

SOCIAL AND REHABILITATION
SERVICE

Our Reference:
SRS-IX-OM

OCT 25 1974

Mr. David B. Swoap
Director
Department of Benefit Payments
744 P Street
Sacramento, California 95814

Dear Mr. Swoap:

The Administrator, SRS, on July 26, 1974 sent a letter to you in which he denied California's appeal of \$11,020,249 on HEW Audit Agency No. 20021-09. The letter instructed the State to make an adjustment of \$11,020,249 on the quarterly expenditure report for the period ending September 30, 1974.

Based on a current communication from the Administrator, SRS, the July 26 instructions have been superseded to allow California to make three equal adjustments totaling \$11,020,249 for the third and fourth quarters of Fiscal Year 1975 and the first quarter of Fiscal Year 1976 quarterly expenditure reports. The first adjustment amounting to \$3,673,416.34 should be made on the quarterly expenditure report ending March 31, 1975. The second adjustment amounting to \$3,673,416.33 should be made on the quarterly expenditure report ending June 30, 1975, with the final adjustment in the amount of \$3,673,416.33 being made on the quarterly expenditure report ending September 30, 1975.

Please adjust your quarterly expenditure reports in accordance with the new repayment schedule.

Sincerely yours,

Will Wolstein

Will Wolstein
Acting Regional Commissioner